Government of Saskatchewan

Annual Report 1986-1987

Saskatchewan Liquor Licensing Commission

88-03464/

Letter of Transmittal

The Honourable Frederick W. Johnson
Lieutenant Governor of the
Province of Saskatchewan

Dear Sir:

I have the honour to hereby transmit the Twenty-Eighth Annual Report of the Liquor Licensing Commission for the year ending March 31, 1987.

Yours sincerely

Graham Taylor
Minister in Charge
Saskatchewan Liquor Licensing Commission

A Message from the Chairman of the Board

The Honourable Graham Taylor
Minister in Charge
Saskatchewan Liquor Licensing Commission

Dear Sir:

I have the honour on behalf of the Liquor Licensing Commission to submit herewith the Annual Report of this Commission covering the fiscal year ending March 31, 1987.

I wish to express my thanks to all of our employees for their support and good service throughout the year.

Respectfully submitted,

Ted Urness
Chairman

Local Option Votes

Pursuant to the provisions of Section 36 of The Liquor Licensing Act, the Commission arranged for votes to be taken in 14 local option areas, resolutions having been received from the various municipal councils requesting such votes to be taken. A statement showing the results of these votes is included as Schedule A to this report.

Licensing

During the year, the Commission held fifty-one sittings and conducted one hundred and ninety-five hearings to consider applications for the various types of licenses provided for in Section 32 of The Liquor Licensing Act. The Commission also held fifty-one meetings and passed minutes on six hundred and fifty-seven matters pertaining to the general conduct and operation of licensed outlets.

The Commission has continued to follow the policy of granting licenses only to applicants of good character and who possess the attributes necessary to ensure satisfactory operation of their business. Every effort was made to ensure that applicants fully understood their responsibilities with regard to the provisions of The Liquor Licensing Act and Regulations made pursuant thereto.

Reports received from the Inspection Department indicated that licensees generally are operating their establishments conscientiously and discharging their responsibilities to the public in a most satisfactory manner.

In accordance with the provisions of Section 29 of the Act, a statement showing the requirements of this section is included as Schedule B to this report.

Financial Statement

A statement of the financial aspects of the operation of the Commission is included.

Acknowledgements

The Commission acknowledges with gratitude the fine co-operation and help which has been given by all departments of Government and by the R.C.M. Police and the various municipal law enforcement authorities. The Commission also wishes to report that the employees have continued to serve most loyally and effectively for which the Commissioners express their sincere thanks.

Schedule A — Statement of Local Option Votes

Local option votes were taken in 15 local option areas during the year. Results of the voting on the various questions by such local option areas are as follows:

	Affirmative	Negative
Restaurants	3	0
Beverage Rooms	0	0
Dining Rooms	7	0
Cocktail Rooms	4	0
Clubs	4	1

Schedule B — Statement of Licenses

Type of License	Issued	Terminated/Expired and Surrendered				Licenses in Effect	
		Ownership Change	Seasonal & Interim	Close of Business	Premise Destroyed	Cancelled by Commission	March 31, 1987	March 31, 1986
Restaurants	42	1	9	3	–	–	29	15
Beverage Room								
– Hotel	646(note 1)	86	58	5	–	–	497	499
– Restaurant	6	–	–	–	–	–	6	6
Dining Room	819	50	100	40	1	–	628	593
Cocktail Room	427	20	52	29	1	–	325	321
Club (Liquor)	147	–	24	–	–	–	123	116
Canteen (Liquor)	76	–	4	4	–	–	68	75
Northern Outfitter's	6	–	6	–	–	–	–	–
Totals	2.169	157	253	81	2	–	1.676	1.625

Note (1) All hotel beverage room licencees were also issued an off-sale beer license.

Suspensions:
8 Beverage Room Licenses
6 Dining Room Licenses
3 Cocktail Room Licenses
1 Club Liquor License

Statement of Applications Received

Type of Licence	Received and Carried over from 1985-86	Issued	Refused	Withdrawn by Applicant	Pending March 31, 1987
Restaurant	37	36	–	–	1
Beverage Room – Hotel	615	603	–	3	9
– Restaurant	6	6	–	–	–
Dining Room	771	740	1	4	26
Cocktail Room	406	391	–	2	13
Club (Liquor)	133	131	–	–	2
Canteen (Liquor)	77	76	–	–	1
Northern Outfitter's	6	6	–	–	–

Liquor Licensing Commission

Financial Statements

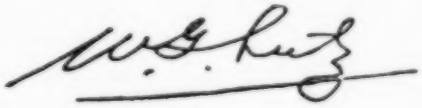
Year ended March 31, 1987

Auditor's Report

To the Members of the Legislative Assembly
of Saskatchewan

I have examined the balance sheet of the Liquor Licensing Commission as at March 31, 1987 and the statements of revenue, expenditure and retained earnings, and cash flows for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Commission as at March 31, 1987 and the results of its operations and the changes in its financial position for the year then ended in accordance with the accounting principles disclosed in Note 1 to the financial statements applied on a basis consistent with that of the preceding year.



Regina, Saskatchewan,
June 2, 1987.

W. G. Lutz, F.C.A.,
Provincial Auditor.

Liquor Licensing Commission

Balance Sheet as at March 31

	1987	1986
Assets		
Current:		
Accounts receivable (note 4)	$ 587,646	$ 534,481
Prepaid Expenses	—	8,813
Total current assets	$ 587,646	$ 543,294
Liabilities and Equity		
Current:		
Accounts payable	$ 84,564	$ 71,787
Deferred revenue (note 6)	246,972	236,273
Total current liabilities	331,536	308,060
Pension costs payable (note 3)	185,274	141,967
Equity:		
Retained earnings	70,836	93,267
	$ 587,646	$ 543,294

(See accompanying notes to the financial statements)

Liquor Licensing Commission

Statement of Revenue, Expenditure and Retained Earnings
Year Ended March 31

	1987	1986
Revenue		
Payments by Liquor Board pursuant to Section 227, The Liquor Act	$1,412,619	$1,441,236
License fees	382,164	373,481
Entertainment fees	89,960	95,273
Application fees	46,601	47,322
Interest	14,000	26,000
Payment by railway and airline companies pursuant to Section 116 and 119, respectively, The Liquor Licensing Act	2,516	3,265
Total revenue	1,947,860	1,986,577
Expenditure:		
Administration		
Salaries and wages	904,818	816,548
Travel	191,064	177,347
Superannuation fund contributions (note 3)	133,712	137,434
Rent, light and water (note 5)	96,654	114,116
Employee benefits	38,990	36,648
Postage and Telephone	31,925	29,803
Stationery and supplies	29,613	30,098
Advertising and voting re licensed premises	25,091	26,921
Sundry	13,766	8,508
Small Equipment Purchase	2,386	1,400
Data Processing	2,272	28,515
Total expenditure	1,470,291	1,407,338
Excess of revenue over expenditure	477,569	579,239
Retained earnings, beginning of year	93,267	64,028
	570,836	643,267
Payments to Minister of Finance (note 7)	500,000	550,000
Retained earnings, end of year	$ 70,836	$ 93,267

(See accompanying notes to the financial statements)

Liquor Licensing Commission

Statement of Cash Flows for the Year Ended March 31

	1987	1986
Cash provided by operating activities		
Excess of revenue over expenditure	$ 477,569	$ 579,239
Add charges to operations not requiring a current cash payment		
— addition to pension costs payable	43,307	45,848
	520,876	625,087
Net change in non-cash working capital balances relating to operations*	(20,876)	(75,087)
Cash provided by operating activities	500,000	550,000
Cash used in transfer payments		
Payments to Minister of Finance	(500,000)	(550,000)
Net increase (decrease) in cash during year	—	—
Cash Position at beginning of year (note 4)	—	—
Cash position at end of year (note 4)	$ —	$ —
*Accounts receivable	$ (53,165)	$ (37,682)
Prepaid expenses	8,813	—
Accounts payable	12,777	15,322
Deferred revenue	10,699	(52,727)
	$ (20,876)	$ (75,087)

Liquor Licensing Commission

Notes to Financial Statements
March 31, 1987

1. Accounting Policy

a) Pensions

The employees of the Commission are covered by either the Public Employees (Government Contributory) Superannuation Plan or the Liquor Board Superannuation Fund. The Public Employees (Government Contributory) Superannuation Plan is a cost based plan and all pension costs which are charged to operations are equivalent to the amount provided for funding. The Liquor Board Superannuation plan is a benefit based plan and accordingly the Commission has with the recommendation from the plan Actuary established the following policies:

Current service costs are charged to operations. Past service costs arising from modification of the benefits payable under the plan or adjustments in the pension cost calculations brought about by an actuarial evaluation are charged to operations over the future working period of the present members of the plan not to exceed 15 years. These charges are based on a level percentage of employees' contributions to this plan. Any difference between the amount charged to operations and the amount provided for funding is included as a liability or as a deferred charge.

Should the Liquor Board Superannuation Fund become unable to meet all superannuation allowances, lump sum payments and refunds, together with any accruals of interest thereon, any deficiencies will be met by payments from the revenues of the Liquor Board.

b) Administrative Services

The Commission head office occupies the same premises as the Liquor Board head office. The accounting and some office administration functions are provided by the Liquor Board. The Commission has not been charged for these accounting or administrative services and no provision for such costs is reflected in these financial statements. These costs are borne by the Liquor Board.

2. Authority

The Liquor Licensing Commission operates under that authority of The Liquor Licensing Act, Chapter L-21 Revised Statutes of Saskatchewan, 1978.

3. Pension Plan

An actuarial report on the Liquor Board Superanuation Fund as at December 31, 1981 established that there is an unfunded liability for past service costs. The Commission's portion of this past service cost requires an adjusted provision for Superannuation expense for 1987 of $110,791 ($33,019 for current service costs, $77,772 for amortizing past service costs). The cumulative difference between the Commission's provision and funding for pension costs gives rise to a $185,274 pension cost payable.

4. Due From Liquor Board

Pursuant to Section 166 of The Liquor Licensing Act, the bank account of the Commission was designated to be the Liquor Board's general bank account. Accordingly, $572,432 (1986 — $533,711) which is the difference between the Commission's receipts and payments is included with accounts receivable.

5. Lease Agreement

The lease agreement for offices at 4211 Albert Street expired on January 31, 1987. During the year these offices were sub-leased and rental revenue of $20,000 (1986 — $24,000) is reflected as a reduction of rent expense.

6. Deferred Revenue

Deferred revenue represents license fees received for which no licenses were issued at March 31, 1987.

7. Payments to Minister of Finance

Retained earnings are paid over to the Minister of Finance for the Consolidated Fund at the direction of the Treasury Board pursuant to Section 169 of The Liquor Licensing Act.